

**State of Rhode Island and Providence Plantations**

**Public Utilities Commission**

**Minutes of Open Meeting Held October 17, 2002**

**Attendees: Chairman Elia Germani, Commissioner Kate Racine, Commissioner Brenda Gaynor, Steve Frias, Cindy Wilson, Thomas Massaro, Alan Nault, Douglas Hartley and Luly Massaro.**

**Chairman Germani called the open meeting to order at 10:00 AM in the first-floor hearing room of the Public Utilities Commission. A quorum was present.**

**Competitive Telecommunications Service Providers:**

The following company registered for authority to operate as telecommunications service provider in RI. The Division has reviewed the registration and recommends approval of:

2262(N17) - NobelTel, LLC

After review, Chairman Germani asked for a motion and Commissioner Racine moved to approve the registration. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

The following companies submitted tariff revisions. The Division has reviewed the tariff filings and does not recommend suspension of:

3450 - ICG Telecom Group

2702 - Verizon Select Services, Inc. (submitted on 09/27 & 10/03/02)

2618 - AT&T Communications of RI, Inc. (submitted on 09/24 & 09/25/02)

2621 - MCI Communications Corp.

2472 - Sprint Communications

2535 - Cox RI Telcom

2486 - MCImetro Access Transmission Service LLC

2262(F16) - Bell Atlantic Communications, Inc. (submitted on 10/02 & 10/07/02)

2262(L10) - Paetec Communications, Inc.

2262(G) - One Call Communications, Inc.

2262(P7) - MCI WorldCom Communications, Inc. (submitted on 10/01 & 10/08/02)

2262(P10) - IDT America Corp.

2262OE2) - Telecom\*USA

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

The following company ceased operations in RI and request that their authority to provide telecommunications services be rescinded:

2262(E11) - Telecommunications Cooperative Network Inc.

After review, Chairman Germani asked for a motion and Commissioner Racine moved to rescind the registration of the company. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

**Verizon Rhode Island Interconnection Agreements (ICAs):**

The following ICAs were submitted for approval. The Division has reviewed the ICAs recommends approval of:

2449 - Amendment to ICA entered with Brooks Fiber Communications of RI, Inc.

3122 - ICA entered with KMC Telcom V, Inc.

After review, Chairman Germani asked for a motion and Commissioner Racine moved to approve the ICAs. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

**3472 – Verizon Rhode Island:** The Company submitted a tariff filing to introduce pricing packages for the transmission of Local Circuit Switched Data over ISDN facilities for effect October 26, 2002. After review, the Commission followed the Division’s recommendation that the tariff filing be allowed to go into effect without suspension.

**3470 – Verizon Rhode Island:** The Company submitted a tariff filing to introduce two- and three-year contract options and to lower the monthly rate for FlexGrow™ Service that provides voice and data services over a single pipe through the use of “bonded” channels for effect October 20, 2002. After review, the Commission followed the Division’s recommendation that the tariff filing be allowed to go into effect without suspension.

**3469 – Verizon Rhode Island:** The Company submitted a tariff filing to delete the qualification of Local Package Standard to receive the Package Bonus & Multi-Line Package Bonus Discounts, but current customers will continue to receive the discounts, for effect October 19, 2002. After review, the Commission followed the Division’s recommendation that the tariff filing be allowed to go into effect without suspension.

**3473 - Essex Communications, Inc. and Essex Acquisition Corp.:** The Companies submitted a joint application for the assignment of Essex Communications Inc.’s authority to provide telecommunications service as a Competitive Local Exchange Carrier (CLEC) to Essex Acquisition Corp. The Division has reviewed the application and finds that Essex Acquisition Corp. has met the filing requirements to be a CLEC and recommends approval. After review, Chairman Germani asked for a motion and Commissioner Racine moved to approve the assignment of authority to provide telecommunications service as a CLEC of Essex Communications, Inc. to Essex Acquisition Corp. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

**3471 – Narragansett Bay Commission (NBC):** NBC submitted a tariff advice to establish a Service Fee Schedule for effect October 24, 2002. The proposed tariff will allow NBC to charge for items such as Lien Sale Fees, Water Shut Off Fees and Returned Check Fee. The Division recommends suspension pending further review. Chairman Germani asked for a motion and Commissioner Racine moved to suspend the proposed tariff advice pending further investigation and recommendation by the Division. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

**3444 – Narragansett Electric Co. – Last Resort Service:** Commissioner Gaynor summarized the travel of the docket that led to the Commission's request for comments on its inquiry whether the rate floor of 4.5¢ per kWh currently in effect for the Company's non-residential Last Resort Service ("LRS") customers should be continued. Comments were filed by the Company, TEC-RI and the Division, each of which indicated that the 4.5¢ rate floor should be eliminated. Both the Company and the Division pointed out that the reason for instituting the rate floor in 2000 no longer existed, as the LRS undercollection at issue has since been fully recovered. The Company also noted that continuation of the rate floor would likely produce a LRS overcollection during certain months under the present LRS supply contracts when the actual (i.e., contractual) cost to acquire the LRS power will be below 4.5¢. TEC-RI emphasized that as a general policy matter, LRS should be priced at cost and not be subsidized for any class of LRS customers. Commissioner Gaynor also noted that recent amendments to the Last Resort Service provisions of the URA may require the Company to revise its LRS tariff. In the meantime, however, the burden of compliance with the URA as amended and currently in effect should remain with the Company. After review, Commissioner Gaynor recommended and made the following motions:

- To discontinue the rate floor of 4.5¢ per kWh for Narragansett Electric's non-residential LRS customers effective November 1, 2002.
- To require the Company to file prior to November 1, 2002 revised LRS rates reflecting the elimination of the 4.5¢ rate floor.
- To require the Company to file by January 2, 2002 a proposal regarding revisions to the Company's LRS tariff to comply with the recent amendments to the Last Resort Service provisions of the URA. Pending approval and implementation of such revisions, however, the burden of compliance with the URA remains with the Company.

The motion was seconded by Chairman Germani and unanimously passed. **Vote 3-0.**

**1725 & 3423 – Regulations Regarding the Termination of Residential Electric, Gas and Water Utility Service:** Discussion related to the Motions for Exemption from Part IV, Section 4 of the Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service, and related clarifications, filed by the City of Newport Water Division and the City of Woonsocket Water Division. After review,

Commissioner Racine moved to grant the motions. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

**3463 – Narragansett Electric Co. – DSM Programs for 2003:** Atty. Wilson noted that motions to intervene were submitted by non-attorney representatives of TEC-RI and the Coalition for Consumers Justice (CCJ). Atty. Wilson pointed out that, historically, TEC-RI does retain an attorney when it intends to cross-examine or present a witness at the Commission's DSM hearings. CCJ been informed of this and has indicated that it is in the process of retaining an attorney. Atty. Wilson noted that, as there were no objections filed to the motions to intervene of TEC-RI and CCJ, they are automatically deemed allowed pursuant to Commission Rule 1.13(e).

**Other Matters:** Commissioner Gaynor expressed concern that communications between staff and the Commissioners was not optimal. She suggested and asked her fellow commissioners to support the institution of weekly Commission staff meetings to discuss scheduling issues (such as upcoming pre-hearing conferences, hearings, meetings in and out of the office, etc.), docket assignments and procedural matters relating to the Commission's dockets. Commissioner Gaynor requested that the Clerk add pre-hearing conferences to the Commissioner's Groupwise Calendars. The question arose of whether it was appropriate for a Commissioner (or presiding officer in a particular docket) to unilaterally finalize a hearing schedule without first consulting his or her colleagues. To resolve the issue, Attorney Wilson represented, and the Commissioners agreed, that commission counsel will consult with each of the Commissioners before finalizing any hearing schedule during the course of a pre-hearing conference or otherwise. The Commissioners also agreed to hold the weekly staff meetings on Mondays.

The open meeting adjourned at 10:35 A.M.